

C O U N C I L   C O M M U N I C A T , J N

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TO :     THE CITY COUNCIL  
FROM:    THE CITY MANAGER'S OFFICE

COUNCIL MEETING DATE:  
MAY 18, 1988

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SUBJECT:    ADOPT RESOLUTION CONCURRING WITH THE EXECUTION OF AGREEMENT WITH BONNEVILLE  
              POWER ADMINISTRATION FOR POWER PURCHASES FOR 1988-89

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On May 28, 1987 the Northern California Power Agency, by NCPA Commission adoption of Resolution No. 87-23, approved an Agreement with the Bonneville Power Administration (See Exhibit A attached). This Agreement provides for the purchase and sale of surplus firm power.

The term of this Agreement is June 1, 1988 through September 30, 1989 subject to earlier termination by NCPA if NCPA, for reasons beyond its control, shall lose the assignment of transmission capacity which it has received from the Sacramento Municipal Utility District.

RECOMMENDED ACTION:    That the City Council adopt Resolution No. 88-67 (Exhibit B attached) concurring with the City Manager's execution of Agreement with the Bonneville Power Administration for power purchases for 1988-89 as approved by the Northern California Power Agency.

  
Alice M. Reimche  
City Clerk

AMR:jj

COUNCOM9  
TXTA.02D



EXHIBIT A

Department of Energy  
Bonneville Power Administration  
P.O. Box 3621  
Portland, Oregon 97208-3621

DEC 03 1987

Transmitted: PKL

Contract No. DE-MS79-S6BP92322

Northern California Power Agency, Roseville, California  
The City of Alameda, California  
The City of Healdsburg, California  
The City of Lodi, California  
The City Of Lompoc, California  
The City Of Palo Alto, California  
The City of Roseville, California  
The City of Ukiah, California

Gentlemen:

This letter constitutes an offer to contract between the United States of America, Department of Energy, acting by and through the Bonneville Power Administration (Bonneville), and seven members (Members) of the thirteen members of the Northern California Power Agency (NCPA). The Members operate systems within the control area of Pacific Gas and Electric Company, and act through their agent, NCPA, a power agency organized and existing under the laws of the State of California. This Agreement provides for the purchase and sale of surplus firm power as specified below. Accordingly, Bonneville proposes the following terms and conditions.

1. Parties

The Parties are Bonneville, NCPA and seven Members of NCPA: The City of Alameda; The City of Healdsburg; The City of Lodi; The City Of Lompoc; The City Of Palo Alto; The City of Roseville; and The City of Ukiah. All day-to-day functions under the Agreement shall be performed for its Members by NCPA. These functions shall include, but shall not be limited to, scheduling, accounting, billing, and receiving and paying power bills. Each Member shall be individually liable pursuant to section 5 of this Agreement.

2. Term

The term of this agreement is June 1, 1988, through September 30, 1989, subject to earlier termination by NCPA if NCPA for reasons beyond its control shall lose the assignment of transmission capacity which it has



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received from the Sacramento Municipal Utility District (SMUD), and effective upon the date of such loss. Those circumstances under which NCPA is able to retain its intertie access by payment of a supplemental fee to SMUD under Article 9 (d) of the Agreement of April 29, 1985, shall not be considered as reasons beyond NCPA's control. NCPA shall give Bonneville the maximum notice possible of such loss and termination. All obligations arising hereunder prior to termination shall be preserved until satisfied.

### 3. Exhibits

The following exhibits are attached hereto and made part of this Agreement.

Exhibit A - (Wholesale Power Rate Schedules and General Rate Schedule Provisions), Exhibit B - (General Contract Provisions (Form PSC SW-1)), Exhibit C - (P.L. 88-552 as amended).

### 4. Power Sale

- (a) This is a 25 MW capacity sale with associated energy in the months June, July, August and September during the calendar years 1988 and 1989.
- (b) During calendar year 1988 Bonneville shall make available and the Members shall purchase, through their agent NCPA, a minimum of 4,500MWh in each of the months of June and September, and 10,230 MWh in each of the months of July and August.
- (c) During calendar year 1989 Bonneville shall make available and the Members shall purchase, through their agent NCPA, a minimum of 10,230MWh in each of the months of June, July, August and September.
- (d) Bonneville shall make available monthly amounts exceeding the monthly minimums specified in subsection 4(b) or 4(c), provided that NCPA requests such power prior to the beginning of the month in which deliveries are to be made; provided however, that the maximum rate of delivery hereunder shall be 25 MW.

### 5. Payment

- (a) Bonneville shall bill NCPA monthly. NCPA, on behalf of the Members shall pay in accordance with the then current General Rate Schedule Provisions and General Contract Provisions.
- (b) NCPA shall send to Bonneville for each month, as soon as possible but in no case later than 45 days after receiving the power bill for such month from Bonneville, a report indicating the allocation of power and energy, or power and energy charges, delivered by Bonneville to NCPA among the Members for such month. These allocated amounts shall be deemed to have been delivered to each Member and shall be the amounts of power and energy for which each Member is liable and responsible for payment.

- (c) In the event that NCPA fails to pay a power bill in a timely manner, under the terms of the then current General Rate Schedule Provisions, then each Member for whose account power and energy was delivered shall be obligated and liable to pay for power and energy delivered to NCPA on its behalf, including pro rata shares of any charges incurred. If NCPA fails to provide an allocation as provided in subsection (b), above:

(1) the Members themselves shall allocate any amounts of power and energy and use this as the basis of payment, or shall allocate fully the money amount of the outstanding power bill, including any charges for services provided, or

(2) the Members shall accept an allocation provided by Bonneville which will be based on previous allocations sent to Bonneville by NCPA. Each Member shall then pay its allocated share of the power bill including its allocation of charges for services provided.

- (d) If hourly allocations are required for billing purposes and none are supplied pursuant to subsections (b) and (c) above, Bonneville will apply the allocation determined pursuant to subsections (b) or (c), as applicable, for the Members to the hourly amounts delivered to determine the hourly deliveries to each Member.

#### 6. Rates

The rate shall be 30.0 mills/kWh.

#### 7. Power Scheduling Provisions

Submission of all schedules between the parties shall be subject to the following provisions unless otherwise agreed upon by the parties' respective schedulers or dispatchers:

- (a) Preschedules shall be completed on each day which both parties observe as a regular workday (Workday). Preschedules shall be effective for each hour of the following day or days through the next Workday.
- (b) Prescheduled amounts shall be submitted by 0930 hours.
- (c) By 1200 hours on any Wednesday, Bonneville may request estimates of the amounts that NCPA anticipates that it will schedule from Bonneville each day for the following 10 days. XCPA shall submit such estimates to Bonneville by 1200 hours on the first Workday following the request. Such estimates are for the purpose of information only and shall not obligate either NCPA or Bonneville to schedule such amounts.
- (d) The parties shall endeavor to avoid requesting changes in schedules. Changes in prescheduled amounts for any hour shall be only as

mutually agreed. Normally such changes shall be submitted no later than thirty (30) minutes before the hour for which the change is to be effective.

8. P.L. 88-552

This Agreement shall be subject to the provisions of P.L. 88-552 (16 U.S.C. 837, 1984).

9. Point of Delivery

The point of delivery for energy delivered pursuant to this Agreement is at the California-Oregon border (COB), on the Pacific Northwest-Pacific Southwest intertie in which Sacramento Municipal Utility District is a participant and from which NCPA has contracted for transmission capacity.

10. Execution By Counterpart

This Agreement shall be executed in a number of counterparts and shall be deemed to constitute a single document with the same force and effect as if all parties hereto, having signed a single counterpart, had signed all counterparts. Each party shall deliver an executed counterpart to Bonneville, and Bonneville shall prepare a conformed copy of this Agreement and deliver it to each party. This Agreement shall become effective at such time as it is executed by Bonneville, NCPA and any one Member.

If the foregoing terms are acceptable to NCPA and its Members, please sign and return two copies of this Agreement with a certified copy of an authorizing resolution. The remaining two copies provide one copy for your files and one for NCPA's files.

IN WITNESS THEREOF: The Parties have executed this agreement in several counterparts.

UNITED STATES OF AMERICA  
Department of Energy  
Bonneville Power Administration

By James J. Jones  
Administrator

CITY OF ALAMEDA

NCPA

APPROVED

By Michael W. McDaniel

Title Gen. Mgr.

Date 8-2-87

APPROVED

By E. G. Deuelworth

Title President Public Utilities Board

Date 9/21/87

RESOLUTION NO. 87-23  
NORTHERN CALIFORNIA POWER AGENCY  
POWER PURCHASE FOR 1983 AND 1989 - OPTION 4

WHEREAS, the Interconnected Members have a need for firm power during 1983 and 1989 that is as yet unmet; and

WHEREAS, these members obtained access to the Northwest through an assignment of SKUD's "Partial Assignment of Contract Between California Companies and Sacramento Municipal Utility District" for "Extra High Voltage Transmission and Exchange Service" as approved in Resolution No. 86-17; and

WHEREAS, it can now be determined a risk-adjusted least-cost method of meeting unmet load.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE NORTHERN CALIFORNIA POWER AGENCY, as follows:

Section 1. The General Manager and staff are directed to negotiate a change to the attached agreement with BPA which will provide that neither NCPA nor its members shall be required to purchase power from BPA which cannot be delivered to those members due to the loss of their Intertie assignment. Such change shall be approved by the NCPA General Manager and NCPA General Counsel.

Section 2. The General Manager is authorized to execute, on behalf of this Agency, the attached Purchase Agreement with BPA in substantially the form presented and subject to Section 1. Any changes in the form of this agreement shall be subject to the approval of the General Manager and General counsel.

Section 3. The General Manager is authorized and directed to transfer the completed agreement to the appropriate members for their approval.

Section 4. Power received under this agreement shall be allocated in the same proportions as the SMUD Intertie Assignment.

Section 5. Staff is directed to continue negotiations with DWR and others for the remaining 1989 power needs of the Interconnected Members. Any agreements resulting from those negotiations shall be brought to the Commission for approval.

Section 6. Staff is directed to negotiate, with PG&E, firm delivery and receipt points for purchases from and sales to DWR.

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CONDITION OF THE ORIGINAL

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
City of - Alameda	<u>Aye</u>	<u></u>	<u></u>
Biggs	<u></u>	<u></u>	<u>X</u>
Gridley	<u></u>	<u></u>	<u>X</u>
Healdsburg	<u><del>Aye</del></u>	<u></u>	<u></u>
Lodi	<u></u>	<u></u>	<u></u>
Lompoc	<u><del>A</del></u>	<u></u>	<u></u>
Palo Alto	<u>Aye</u>	<u></u>	<u></u>
Redding	<u></u>	<u></u>	<u>X</u>
Roseville	<u>Aye</u>	<u></u>	<u></u>
Santa Clara	<u>Aye</u>	<u></u>	<u></u>
Turlock	<u></u>	<u>X</u>	<u></u>
Ukiah	<u></u>	<u></u>	<u>X</u>
Plumas-Sierra	<u>Aye</u>	<u></u>	<u></u>

ADOPTED AND APPROVED this 28<sup>th</sup> day of May, 1986.



McDONOUGH, HOLLAND & ALLEN

A PROFESSIONAL CORPORATION

ATTORNEYS

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SACRAMENTO, CALIFORNIA 95814  
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NEWPORT BEACH, CALIFORNIA 92660  
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DAWN H. COLE  
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SUSAN L. SCHJENIG  
JAMES L. LEET  
MARCIA SCULLY  
DONALD R. PERSON  
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MICHAEL J. RAINVILLE  
MICHELLE MARCETTA KENYON  
JON RIESE  
KENNETH W. RUTENBERG, JR.  
KIMBERLY MITCHELL BOTT  
PATRICIA I. F. FRESHMAN

August 6, 1987

via telecopier

(corrected version)

8-2  
cc: Matt  
/S/if-

Original - file

Mr. Matthew L. Foskett  
Power Contracts Engineer  
Northern California Power Agency  
180 Kirby Way  
Roseville, CA 95675

Dear Matt:

Subject: proposed NCPA-BPA contract

I have reviewed the signature draft of the above agreement transmitted by BPA's letter of July 31, which you telecopied me this morning, and compared it with the version which the Commission approved by its Resolution No. 87-23, adopted May 28, 1987.

The changes in the form of agreement approved by the resolution are insubstantial except for those changes in Section 2, which were required by the NCPA resolution.

The current draft has my approval as to form.

Sincerely yours,

Matt McDonough  
Martin McDonough  
Attorney

MMcD/jd

cc: Mr. Michael W. McDonald

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DOCUMENT CANNOT BE  
IMPROVED DUE TO THE  
CONDITION OF THE ORIGINAL



Department of Energy  
Bonneville Power Administration  
P.O. Box 3621  
Portland, Oregon 97208-3621

In reply refer to: PKL

Contract So. DE-MS79-S6BP92322

Northern California Power Agency, Roseville, California  
The City of Alameda, California  
The City of Healdsburg, California  
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- (d) The parties shall endeavor to avoid requesting changes in schedules. Changes in prescheduled amounts for any hour shall be only **as**

RESOLUTION NO. 85-67

A RESOLUTION OF THE LODI CITY COUNCIL RATIFYING THE CITY MANAGER'S EXECUTION OF THAT CERTAIN AGREEMENT DATED SEPTEMBER 30, 1987 ON BEHALF OF THE CITY, RELATING TO POWER PURCHASE BETWEEN BONNEVILLE POWER ADMINISTRATION AND THE NORTHERN CALIFORNIA POWER AGENCY

WHEREAS, based upon the past practice, policy and the advice of the Bonneville Power Administration and the Northern California Power Agency, the City Manager has executed on behalf of the City, an Agreement dated September 30, 1987 providing for the purchase and sale of surplus firm power; and

WHEREAS, it was the belief of the parties thereto that it was unnecessary for the City Council of Lodi to authorize such execution by resolution; and

WHEREAS, the other parties to the aforesaid Agreement have now expressed a desire to have the City Council of Lodi affirmatively act to authorize such Agreement;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lodi that the Council hereby ratifies and approves the Agreement between the City of Lodi and the Bonneville Power Administration, executed by City Manager Thomas A. Peterson on September 30, 1987.

Dated: Ray 18, 1988

I hereby certify that Resolution No. 88-67 was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 18, 1988 by the following vote:

Ayes : Council Members - Hinchman, Olson, Reid, Snider and  
Pinkerton (Mayor)

Noes : Council Members - None

Absent: Council Members - None

*Alice M. Reimche*  
Alice M. Reimche  
City Clerk